

transponder ID 110, which may for instance be a 5-digit number or other identifying information. In this embodiment, transponder 102 may also store an account table 112 directly recording account information for the subscribed user of the transponder 102. The account table 112 may be or include, for instance, an indication of an account number, balance, limit and other information for a debit account, a cash account, a credit card account, special premises account for internal use such as by employees, or other account information associated with users of the system.

**In the Claims**

Please cancel claims 11 through 25.

Please add new claims 26 through 40 as set forth below:

26. A method of authorizing transponder-enabled transactions, comprising:  
receiving at least some transponder identification information  
emitted from a transponder substantially upon presentation of the  
transponder and a transaction for payment at a point of sale device, the  
payment comprising a payment amount, wherein the point of sale device is  
located at a point of sale location that is associated with a second party;  
determining authorization (for charging at least some of the  
payment amount to a financial account based on the payment amount and  
at least some financial account information), wherein the at least some  
financial account information is linked to at least some transponder

identification information in one or more account tables of a first party;  
and  
communicating authorization to the point of sale device.

27. The method of claim 26, further comprising:

linking at least some transponder identification information with  
the financial account information in an account table.

28. The method of claim 26, wherein the first party is an issuer of the financial  
account.

29. The method of claim 28, wherein the second party is at least one of a merchant,  
retailer, or grocer.

30. The method of claim 28, further comprising issuing the transponder by the first  
party to the financial account holder.

31. The method of claim 26, further comprising receiving transponder identification  
information from the transponder via a wireless interface.

32. The method of claim 31, further comprising receiving transponder identification  
information via a RF interface or an infrared interface.

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33. The method of claim 26, wherein more than one second party is capable of seeking authorization for charging at least part of a payment amount for a transaction from the first party.
34. The method of claim 26, wherein the financial account information comprises at least one of account number information, account type information, account balance information, and account limit information.
35. The method of claim 34, wherein the account type comprises a credit card, a debit card, a cash account, a telephone card account, or a special premises account for use by employees of an entity.
36. The method of claim 26, wherein the point of sale device comprises a cash register.
37. The method of claim 26, wherein the transponder is embedded in a personal article.
38. The method of claim 37, wherein the personal article comprises one of a key chain, pager, watch, clothing, key or transaction card.
39. The method of claim 26, wherein the point of sale location comprises one or more of a restaurant, a grocery or a retail outlet.

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40. The method of claim 26, further comprising permitting a transponder holder to register the financial account information to be linked to at least some transponder identification information in the account table via a network registration interface.

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## **II. Drawings**

Applicants have resubmitted Figures 1 and 2 to comply with the requirements of 37 C.F.R. § 1.83(a), and kindly request consideration of these drawings. These Figures now show the limitation of “point of sale location” as recited in claims 26 and 39, and also the limitation of a personal article in which the transponder is embedded, as recited in claims 37 and 38. Applicants believe that this amendment of the drawings satisfies 37 C.F.R. 1.83(a) and respectfully request that the Examiner withdraw his objections.

## **III. Claim Rejections Under 35 U.S.C. § 101**

Now-canceled claims 12-14, 16, 17, 20 and 22-25 had been rejected under 35 U.S.C. § 101 because the claimed subject matter allegedly was directed to non-statutory subject matter, on the grounds that these claims were directed to neither a “process” nor a “machine,” but rather overlapped or embraced two different statutory classes of invention. See Office Action at p. 3. Applicants submit that the newly added claims 26 through 40 are directed to the statutory class of “process” and respectfully request that the rejection under 35 U.S.C. § 101 be withdrawn.

## **IV. Claim Rejections Under 35 U.S.C. § 112**

### **A. Claim Rejections Under 35 U.S.C. § 112, First Paragraph**

Claims 24 and 25 were rejected under 35 U.S.C. § 112, first paragraph as allegedly containing subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention. See Office Action at p. 3. Added claim 38 recites the identical limitation of embedding the transponder in a key or a transaction card.

Applicants respectfully submit that the specification as filed satisfies 35 U.S.C. § 112, first paragraph for the claim limitation of embedding the transponder in a key or in a transaction card. The specification discloses that the transponder can be “embedded within a personal article for convenience, aesthetic and affinity purposes.” Specification at p. 4, lines 15-17. The integration of the transponder into a watch was expressly disclosed, and the specification further spells out that “key chains, pagers, clothing *or other items* is also possible.” Id. at lines 17-20 (emphasis added); p. 5, lines 15-18; p. 8, lines 15-19.

Applicants submit that embedding a transponder in a key is reasonably conveyed to those skilled in the relevant art as embedding transponders in keys is well known in the art. See, e.g. U.S. Patent No. 6,308,542 B1 issued to Bolton and titled KEY ASSEMBLIES AND METHODS OF MAKING SAME. This patent discloses key assemblies containing transponders mounted therein. See col. 1, lines 23-25. A copy of this patent is enclosed for the Examiner’s convenience. When this reference is considered along with the disclosure in the specification on embedding the transponder in a personal article such as a key chain, pager, clothing or other articles, conveys to those skilled in the relevant art that Applicants had possession of such “other personal articles” as contemplated by the disclosure including a key for the user’s convenience.

In addition, the specification as filed when considered with the knowledge of those skilled in the relevant art reasonably conveys that the transponder may be embedded in a plastic card such as a transaction card. The embedding of transponders in plastic cards substantially the shape and size of credit or transaction cards is well known in the art, for example for use in secure access systems. See, e.g., U.S. Patent No. 5,552,790 issued to Gunnarsson, titled DEVICE FOR WIRELESS TRANSFER OF INFORMATION. This patent discloses a device for wireless transfer of information in the form of a transponder configured as a thin card. See col. 1, lines 4-6. See also Figs. 2a, 2b, 3, 5a, 5b, 5c, 6, 7a, and 7c. A copy of this patent is enclosed for the Examiner's convenience. When this reference is considered along with the disclosure in the specification on embedding the transponder in a personal article such as a key chain, pager, clothing or other articles, conveys to those skilled in the relevant art that Applicants had possession of such "other personal articles" as contemplated by the disclosure including a transaction card for the user's convenience.

"[T]he subject matter of the claim need not be described literally (i.e., using the same terms or *in haec verba*) in order for the disclosure to satisfy the written description requirement." MPEP § 2163.02. Applicants respectfully submit that the Examiner has not provided reasons why persons skilled in the art at the time this application was filed would not have recognized the description of these limitations in the disclosure of the application as filed, as required under MPEP § 2163.04(I). Therefore, Applicants respectfully submit that the disclosure of the specification as filed, along with the knowledge of those skilled in the relevant art at the time the application was filed as demonstrated by the attachments described above, reasonably conveys

that the transponder of the invention may be embedded in such personal articles as a key or a transaction card and request that this rejection be withdrawn.

**B. Claim Rejections Under 35 U.S.C. § 112, Second Paragraph**

Claims 11-25 were rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and claim the subject matter which Applicants regard as the invention. Applicants respectfully submit that new claims 26 through 40 satisfy 35 U.S.C. § 112, second paragraph as set forth below, and request that this rejection be withdrawn.

**1. The Phrase “a point of sale” Is Unclear**

The Examiner explained in the Office Action that the phrase in claim 11, “a point of sale,” is unclear because claim 13 recites a connection to a point of sale device which must be different under the doctrine of claim differentiation from claim 11’s “point of sale.” The Examiner noted that what constitutes the “point of sale” is indefinite, although it is his belief that the “point of sale” is “the general vicinity of the point of sale device.” Office Action at p. 4.

New claims 26 through 40 recite both limitations “point of sale” and “point of sale device,” and expressly claim that the “point of sale device” is located at a “point of sale location” in claim 26. Thus, the point of sale location is the location of the point of sale device. In addition, references to the point of sale in the specification indicate that the point of sale is a location from which a request for a transaction at a point of sale device is made. See e.g., Specification at p. 4, line 22 to p. 5, line 2 (user approaches receiver at the point of sale device to complete a purchase or other transaction at a point of sale); See also p. 1, lines 12-13, 16-17, and 21-22; p. 2, lines 6-7 and 15-17; p. 3, lines 17-19; p. 6, lines 19-22; p. 9, lines 6-10 and lines 13-

15; and p. 12, lines 9-11; Abstract. Applicants respectfully submit that the terms “point of sale” and “point of sale device” as used in claims 26 through 40 are definite and satisfy 35 U.S.C. § 112, second paragraph, and that this rejection be withdrawn.

**2. Claims 12-14, 16, 17, and 20 Are Indefinite for Failing to Recite Additional Method Steps**

Claims 12-14, 16, 17, 20, and 22-25 were rejected under 35 U.S.C. § 112, second paragraph for failing to recite any additional method steps. “[I]t is well established that the determination whether a claim is invalid as indefinite ‘depends on whether those skilled in the art would understand the scope of the claim when the claim is read in light of the specification.’” Atmel Corp. v. Information Storage Device, Inc., 198 F.3d 1374, 1378 (Fed. Cir. 1999), citing North American Vaccine, Inc. v. American Cyanamid Co., 7 F.3d 1571, 1579 (Fed. Cir. 1993). This test has been alternatively stated as, “[t]he legal standard for definiteness is whether a claim reasonably appraises those of skill in the art of its scope.” In re Warmerdam, 33 F.3d 1354, 1361 (Fed. Cir. 1994).

Applicants submit that claims 26 through 40, which all relate to a method for executing transponder-enabled transactions, reasonably apprise those of skill in the art of their respective scope. Claim 26, from which each of these claims depends, recites a method of enabling transponder-enabled transactions comprising receiving at least some transponder identification information emitted from a transponder substantially upon presentation of the transponder and a transaction for payment at a point of sale device, the payment comprising a payment amount; determining authorization for charging at least some of the payment amount for the transaction to



a financial account based on the payment amount and at least some financial account information, wherein the financial account information is linked to at least some of the transponder identification information; and communicating authorization to the point of sale device. Dependent claims 27, 30-32, and 40 recite additional method steps such as linking at least some transponder identification information with the financial account information in an account table; issuing the transponder to the financial account holder; receiving transponder identification information from the transponder via a wireless interface; receiving transponder identification information via a RF interface or an infrared interface; and permitting a transponder holder to register the financial account information in the account table via a network registration interface.

Dependent claims 28-29 and 33-39 further limit the recited methods by requiring that the first party be an issuer of the financial account; that the second party be at least one of a merchant, retailer, or grocer; that more than one second party is capable of seeking authorization from the first party; that the financial account information comprise at least one of account number information, account type information, account balance information, and account limit information; that the account type comprise a credit card, a debit card, a cash account, a telephone card account, or a special premises account for use by employees of an entity; that the point of sale device comprise a cash register; that the transponder be embedded in a personal article; that the personal article comprise one of a key chain, pager, watch, clothing, key or transaction card; and that the point of sale comprise one or more of a restaurant, a grocery or a retail outlet.

As discussed during the October 24, 2002 Interview between the Examiner and representative for Applicants, claim 26 is directed to a method, and dependent claims 27 through 40 each specify a further limitation of the claimed method of claim 26 as required by 35 U.S.C. § 112, fourth paragraph. Applicants respectfully submit that claims 26 through 40 satisfy the definiteness requirement of 35 U.S.C. § 112, second paragraph, and request that this rejection be withdrawn.

**V. Claim Rejections Under 35 U.S.C. § 102**

Claims 11-25 were rejected under 35 U.S.C. § 102(b) as being anticipated by Swartz et. al., U.S. Patent No. 5,923,735 ("Swartz") and Katz, U.S. Patent No. 6,327,575 B1 ("Katz"). Applicants respectfully submit that neither Swartz nor Katz recite each and every limitation of claims 26 through 40, and that these claims are not anticipated by either of these references.

**A. The Invention Relates to A Method for Authorizing a Transponder-Enabled Transaction at a Point of Sale**

Pending claims 26-40 relate to a method of transponder-enabled transactions that enable at least part of a payment amount for a transaction to be charged to a financial account at a point of sale device at a point of sale location, such as a retail outlet, a grocery store or a restaurant. Specification at p. 2, lines 14-20; p. 5, line 2; p. 7, lines 2-3. The transponder is coupled to a receiver typically via a wireless interface, such as a RF interface or infrared interface, at the point of sale system. Specification at p. 2, lines 14-17; p. 5, line 21; claim 12. The transponder is encoded with some identifying information. Specification at p. 5, lines 2 to 5. The transponder may also include a memory, which may store an account table to record account information

such as, for example, an account number, balance, limit and other information for a debit account, a cash account, a credit card account, special premises account, or other accounts. Specification at p. 4, lines 3-5; p. 5, lines 5-11. A new subscriber registers a financial account, for example from a client workstation, with a registration server that receives preassigned information related to the transponder, such as the transponder ID, and also account information. Specification, p. 8, line 15 to p. 9, line 11. The subscriber selects which accounts to associate with the transponder, and registers account information for that account for the execution of future transactions. Id.

The receiver is associated with the point of sale device, and activates and couples with the transponder when they are in close proximity. Specification at p. 3, lines 17 to 19; p. 4, lines 8-112; p. 5, line 18 to p. 6, line 2. The transponder radiates its encoded identifying information to the receiver to initiate authorization of a purchase or other transaction at a point of sale location such as a restaurant or grocery store. Specification at p. 4, line 21 to p. 5, line 2; line 21 to p. 6, line 2.

Two embodiments of the invention are disclosed. In the first embodiment, depicted in Fig. 1, the receiver may obtain account table information from the transponder, and the total purchase price at the point of sale device may be validated against information within the account table, such as available credit or available cash. Specification at p. 6, lines 3-10. The receiver may recalculate a new value for storage in the account table and transmit that information to the transponder. Specification at p. 6, lines 13-16.

In the second embodiment, depicted in Fig. 2, account table information may be stored elsewhere, such as for instance in storage of a transaction server. Specification at p. 9, line 15 to p. 10, line 4. The transaction server is linked to the point of sale device for purposes of authorizing payment for transactions presented for payment along with the transponder. Specification at p. 9, lines 19-22. The transaction begins as in the first embodiment, but the point of sale device communicates with the transaction server to validate transaction information or other information that is stored in the transaction server to authorize payment for the transaction. Specification at p. 10, lines 6-10. The transaction server may communicate with credit file databases or other information resources before authorizing or completing a transaction. Specification at p. 10, lines 17-20.

**B. Election of Species**

Applicants submit that the embodiments shown in Figs. 1 (Species A) and 2 (Species B) are patentably distinct species. As discussed in the October 24, 2002 Interview, the Examiner noted that, upon such assertion by the Applicants, the Election of Species would therefore be reinstated. Applicants herein provisionally elect pursuant to 35 U.S.C. § 121 Species B for prosecution and designate dependent claims 26 through 40 as readable thereon to Species B.

**C. Swartz Does Not Anticipate Claims 26-40 Because Swartz Does Not Disclose a Method for Determining Authorization for Charging A Payment Amount For a Transaction to a Financial Account**

Applicants respectfully submit that Swartz does not anticipate claims 26-40 because Swartz does not disclose a method for determining authorization for charging at least part of the

payment amount for a transaction to a financial account when a transponder and a transaction are presented for payment at a point of sale device. As explained in the Office Action, Swartz allegedly anticipates the invention because it allegedly discloses: “a point of sale terminal (1 or 72) coupled to a transponder (via antenna 8); communicating and connecting to at least one network enabled transaction device (73); the wireless interface is a RF interface (a cellular network); the point of sale device is an electronic sale register (72 carried by the customer; there is an additional electronic sale register “checkout register” operated by a cashier which receives the information from the handheld unit . . . ); accounting information (e.g. price of item) including account balance (customer’s total) is stored in the system; the transponder is embedded in a personal article (inherent); the system communicates with a data processing facility to execute a transaction (the store’s computer 73 or an additional inherent system for processing a credit card transaction); the account subscriber registers the transponder (the unit has to log on and be recognized by the system when entering the store); and the system operates with a transaction server.” See Office Action at pp. 5-6.

Swartz is directed to a self service checkout system wherein a user scans bar codes of items in a store using the system to obtain real time product and price information and also to create a file for checkout without requiring the cashier to individually scan each item. Swartz, col. 3, lines 45-48 and lines 53-56; col. 4, lines 4-5. In Swartz, the information stored in or associated with the transponder is *not* used to determine authorization for charging at least part of the payment amount for a transaction to a financial account upon presentation of the

transponder and a transaction for payment at the point of sale device, but rather the transaction is completed by tendering payment to the cashier. Swartz, col. 11, lines 20-23.

The system in Swartz operates by the use of a portable communications terminal that communicates with a central store host computer, and must be capable of reading bar scan codes. Swartz, col. 3, lines 16-29. Consumers may use the terminal to prepare shopping lists, for example by scanning coupons or product labels. Swartz, col. 3, lines 30-34. Upon entering a store that uses the self service checkout system, the user establishes a communications link between the terminal and the central store host computer. Swartz, col. 3 lines 38-41. As the user selects items, he or she scans the bar codes using the terminal, which transmits the bar code information to the central host computer. Swartz, col. 3, lines 43-45. The central host computer retrieves, in real time, information such as product information, product pricing, and subtotal, and sends this information back to the terminal. Swartz, col. 3, lines 45-52.

The central host computer maintains a file of the scanned items, alternatively, the file may be maintained in a memory in the terminal. Swartz, col. 3, line 43-45. When the customer is finished shopping and takes the selected items to the cashier, the cashier retrieves the customer file from the central host computer rather than scan in each individual item. Swartz, col. 3, line 53-58. Computer instructed security measures are communicated from the store computer to the checkout register which must be complied with before the transaction can be completed. Swartz, col. 3, lines 58-62; col. 11, lines 5-15. Once the security measures are complied with and coupons are entered, a final bill is calculated. Swartz, col. 3, lines 60-62; col. 11, lines 16-19. In Swartz, the calculation of the final bill and the payment of the bill by the customer does not

utilize any information associated with or stored in either the terminal or the central host computer, although the type of payment may be *recorded* and associated with that transponder in a historical file to generate *future* security measures for that customer. Swartz, col. 11, lines 23-26. The customer then terminates communication between the portable communications terminal and the store central host computer. Swartz, col. 3, lines 62-66. At this point, the transaction is complete. Swartz, col. 3, lines 65-66.

Applicants respectfully submit that Swartz does not anticipate the invention for several reasons: (1) Swartz does not disclose a method for determining authorization by a first party for charging at least part of a payment amount for a transaction to a financial account upon presentation of a transponder and a transaction for payment at a point of sale device at a point of sale location of a second party based on the payment amount and financial account information that is linked to transponder identification information in an account table, and communicating that authorization to the point of sale device; (2) Swartz does not disclose linking at least some transponder identification information with financial account information of the transponder holder; and (3) Swartz does not disclose allowing a transponder holder to register financial account information for linking to transponder identification information in an account table via a network registration server.

1. **Swartz does not disclose a method for determining authorization for charging a payment amount for a transaction to a financial account upon presentation of a transponder and a transaction for payment at a point of sale device**

Swartz does not disclose a method for determining authorization by a first party for charging at least part of a payment amount for a transaction to a financial account upon presentation of a transponder and a transaction for payment at a point of sale device at a point of sale location associated with a second party based on financial account information that is linked to transponder identification information in an account table, and communicating that authorization to the point of sale device. Rather, the account information that is disclosed in Swartz relates to products that the user of the system scans including product information such as nutrition information, expiration date, and promotional pricing methods, product price, the subtotal of all products scanned by the system user; required security measures; and historical payment information. Swartz, col. 3, lines 45-48 and 58-60; col. 7, lines 38-41; col. 8, line 67 to col. 9, line 2; col. 10, line 6-10 and lines 23-26; lines 53-67; col. 11, lines 23-28; claims 1, 29, and 33; Fig. 8, blocks 173, 174. The security verification measures disclosed in Swartz may be on-line security checks or off-line security checks, and are based on the customer shopping history record that is stored in the store computer along with the specific customer shopping list and the content of the customer purchase. Swartz, col. 10, lines 64-66; Fig. 8, steps 175, 176. For example, if the content of the customer purchase includes items such as alcohol or tobacco, the customer may have to present identification as a security verification measure. Swartz, col. 10, line 67 to col. 11, line 2. It is only *after* the cashier “performs the instructed on-line security check” that the final bill is calculated and paid. Swartz, col. 11, lines 5-25; Fig. 8, steps 178-180. The cashier accepts the customer’s payment, and payment information along with the customer’s checkout file is stored in the store computer in the customer’s historical profile record. Swartz,



col. 11, lines 20-30; Fig. 8, steps 180-181. Following the updating of the customer profile history, the store computer communicates directly with the customer terminal to log out. Swartz, col. 11, lines 31-38; Fig. 9.

In the Swartz system, the point of sale device receives no information from the store computer for a particular transaction *after* the security measures are communicated, which occurs *before* the final bill is calculated. See Fig. 8, step 174. There is no disclosure of further communication transmitted by the store computer to the point of sale device following communication of the security verification measures, and specifically no disclosure of communication from the store computer to the checkout register *after* the final bill is calculated, or any communication from the store computer to the checkout register in response to the amount of the final bill.

In contrast, the method of the invention includes communication to the point of sale device *after* the final transaction amount has been determined, which communication relates to authorization for charging at least part of a payment amount for a transaction to a financial account-- in Swartz, this corresponds to payment step 180 that takes place *after* step 179 (the final communication of information from the store computer to the checkout register) of Fig. 8. In Swartz, the store computer does not receive the final bill amount and *then* use that information for any type of authorization. Rather, it simply stores the information for determining security measures for *later* customer purchases. Swartz, col. 11, lines 26-29.

The invention is not anticipated by Swartz for at least the reason that Swartz does not disclose a method for determining authorization for charging a payment amount for a transaction to a financial account upon presentation of the transponder and a transaction for payment at a point of sale location.

Further, in Swartz, there is no disclosure of the use of the system other than by the same store which uses that system. In fact, the unique store ID must be entered by the customer in order to create the transaction file in the store computer. Swartz, col. 7, lines 35-37; Fig. 6, steps 152-154. Although Swartz discloses using a single central store computer for multiple stores, the stores must be associated with one merchant party due to the nature of the information that is stored in the Swartz store computer -- i.e., product information including price, pricing methods, expiration date, nutrition and recipes. Swartz, col. 7, lines 39-41. Such information would *not* be shared by multiple, different merchants, unlike the financial account information that is stored in the account table of the invention. In the invention, multiple second parties may seek authorization of the payment of multiple transactions from the first party due to the fact that the stored financial account information is not necessarily unique to one merchant but rather may be used at multiple merchants. Swartz does not anticipate this embodiment of the invention for this further reason.

**2. Swartz does not disclose linking at least some transponder identification information with financial account information**

Swartz does not disclose linking at least some transponder identification information with financial account information in an account table. Swartz discloses three different files for a

customer in the system: (1) a customer transaction file which is opened when the customer logs onto the system upon entering a store and transmitting the unique store ID along with the transponder ID (Swartz, col. 7, lines 34-37; Fig. 6, steps 152-154); (2) a checkout file which is created from the customer transaction file and security verification instructions (Swartz, col. 10, lines 55-56); and (3) a customer history profile which includes the customer checkout file and payment information (Swartz, col. 11, lines 26-30). There is no disclosure in Swartz of the storing of financial account information other than payment information, which is only saved in the historical profile for purposes of generating future security measures. Swartz, col. 11, lines 23-27. For this further reason, Swartz does not anticipate the invention.

3. **Swartz does not disclose permitting a transponder holder to register financial account information to be linked to transponder identification information via a network registration server**

Swartz does not disclose a method for permitting a transponder holder to register financial account information for linking to transponder identification information in an account table via a network registration server. Although the system disclosed in Swartz maintains a customer history profile, and creates a customer transaction file each time the customer logs on to the system upon entering the store operating the system, there is no disclosure of permitting the *customer* to register any account information, including financial account information, with the system prior to use of the system. The only account items other than the transponder ID disclosed in Swartz that are stored in the system include product information including price, pricing methods, expiration date, nutrition and recipes, and also historical payment information. Swartz, col. 7, lines 39-41; col. 11, lines 22-25.

For all of these reasons, Applicants submit that Swartz does not anticipate the invention, including newly added claims 26-40, and Applicants respectfully request that the rejection under 35 U.S.C. § 102(b) based on Swartz be withdrawn.

**D. Katz Does Not Anticipate Claims 26-40**

Applicants respectfully submit that Katz does not anticipate claims 26-40 because Katz does not disclose a method for using financial account information linked to transponder identification information to determine authorization for charging at least part of a payment amount for a transaction to a financial account upon presentation of a transponder and a transaction for payment at a point of sale.

Katz discloses a merchant's point of sale terminal for the visually impaired. Abstract; col. 2, lines 56-59. The terminal is connected to the merchant's financial services network. Katz, col. 2, lines 59-61. The terminal is used by the consumer for keyed and swiped entry of credit and debit card and/or account numbers, and PIN data. Katz, col. 2, lines 64-67. The invention "facilitates the manipulation of the terminal by vision impaired purchasers for card and PIN inputs, and an automated voice call-out of at least the transaction total." Katz, col. 3, lines 1-4.

Katz does *not* disclose, in Fig 4 or any other part of the disclosure, a method for determining authorization for charging at least part of a payment amount for a transaction to a financial account using financial account information that has been linked with transponder identification information. Applicants respectfully request that claims 26-40 are not anticipated by Katz, and that this rejection be withdrawn.